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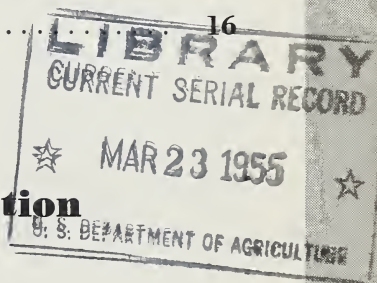
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## *A Message from the*

## **ADMINISTRATOR**

Elsewhere in **RURAL LINES** you will read reports showing gains REA borrowers have made during the past year and describing the President's proposals to Congress for loan funds for REA.

This is a good time, then, to look back and look forward. A far-sighted Congress passed an Act providing for the REA program. Through the years, the Congress has provided adequate funds so that almost each year of operation has found us with money left over. Today, we find ourselves entrusted with around three billion dollars in loans without any one asking us as farmers to mortgage our homes, our farms, or our stock. We built the lines. We found, where necessary, we could build generating plants. And we found, too, available power from suppliers which have produced power for us at a declining rate since the program started.

Today, in 1955, we find our program strong, proud and accepted. Yes, we have found generous acceptance of our program by a responsive public recognizing merit and economic progress.

To keep our program that way, we must continue always to be alert to do everything possible to preserve financial stability and payout. We must continue to be alert to the practices of conduct that stimulate confidence and respect.

Let's look at last year's gains as an example. REA borrowers and their farm consumers used more power and paid less for it in 1954. At the same time, the margins of REA borrowers from system operations showed an increase of 40 percent. This gain can be traced not only to reductions in the cost of energy put into systems but also to better operating methods by borrowers.

We will continue working to bring better and lower cost service to the farmer. That way we can continue to move ahead.

*Administrator.*



# POLE ENEMY

## No. 1



### You Can Protect Your System With Regular Inspection and Care

**R**EA borrowers and agency personnel are teaming up these days to develop more effective methods of controlling damage caused to line poles by wood's worst enemy, the rot-producing fungi.

When the tiny organisms attack and rot sets in, the very props are cut from under electric and telephone systems. No respecters of clime or society, fungi operate from coast to coast. Everyone agrees they're tough customers to head off.

Pole danger signals on rural electric systems are generally found among poles dressed in low strength post-war preservatives. Instead of 25 to 35 years of service, the average life of well treated poles, some post-war poles are failing after 7 years.

In the post-war years, residents of rural communities called for more and more farm homes, roadside businesses, appliances, and, of course, electricity on a mounting scale. All told, pole suppliers filled rush orders from borrowers for some 4½ million poles. Suppliers soon found there wasn't enough preservative to go around. It was largely a case of something or nothing.

A good share of post-war poles are still firm and fit. Others haven't weath-

ered as well and are in need of immediate treatment to stave off rot and prolong their usefulness.

But there are good signs the pesky fungus—chief destroyer of poles—is being slowed down. Regular pole inspection and maintenance programs are doing the trick.

This action is none too soon. Already falling poles have accounted for some fatalities and for serious injuries to a number of linemen in the past few years. Weak poles are always a potential hazard to traffic and passersby. A point to ponder, too, is the report of safety experts that pole accidents are on the increase.

#### Storms Take Toll

Wind and sleet storms hit rotted poles hard. One borrower reported that in one storm 11 poles were blown down in a 16-mile stretch of 3-phase line. Another borrower replaced 31 rotted poles in 6 miles. These poles were installed in 1947 and 1948 and normally should have lasted 25 years or more. Hurricane Hazel found weak poles an easy touch. Such heavy pole failures are spotty and are not the rule on most systems. But they indicate what a problem weak poles can be in rural areas.



**Increment boring is surest way to determine condition of interior of pole.**

Though pole failures have been reasonably high in some sections and there is need to take a serious view of post-war installations generally, it can be said that the pole situation is showing a lot of improvement.

Not that fungi are taking things easy. They're still busy and troublesome. But pole-sampling fungi are finding the ground line treatment co-ops are giving them a bitter pill. And as co-ops do more pole-by-pole inspections, using stubbing and preserving methods, they can expect many more years of service from their poles.

Most borrowers have decided that good pole care is part and parcel of overall system maintenance operations. For as poles go, so goes the outside plant.

REA's timber specialists and field engineers have conducted some 24 training meetings for borrower personnel in various states. Timber specialists carried out instruction work on pole inspection and treatment, in addition to their other duties. In some cases, group sessions were planned in cooperation with state-wide associations and groups of managers. REA plans to train more field men in pole inspection and maintenance work this year.

C. H. Arveson, one of REA's timber specialists, spends a good share of his time helping co-ops work out pole problems.

Not long ago he told a group of pole users, "When poles rot early, it's due to any of a number of things. We can eliminate much of the guesswork in combating fungi by sticking to tested specifications. This means close and regular inspection of poles before treatment and of the treating process, as well as constant analysis of the preservative.

"Systematic pole and groundline inspection is a precaution which insures that poles will be replaced before they become a hazard. At the same time such a program gets maximum service life out of poles. Borrowers which maintain a regular inspection program and keep running records of every pole can greatly reduce hazards, outages and unexpected replacement costs.

### **Look for Decay**

"One of the main things to know is the difference between rotten and sound wood. Look the pole over carefully for outward signs of decay. If you can see no evidence of decay, tap the pole lightly with a hammer to discover any internal pockets of decay. If the pole appears to be sound above the ground, then make a ground line inspection.

"Dig down about 18 inches around the pole. With a blunt tool examine the outer part of the pole a few inches below the ground line to see if wood is sound and hard. If no decay is noted, sound the pole with a heavy hammer. This helps to locate interior decay. If the pole is okay, mark it for reinspection in about 10 years.

"But if soft, spongy wood is found on the outside of the pole, carefully scrape away the rotten wood, and make a note of it. Then with an in-





crement borer, take out a core from the interior and see if it contains any crumbly or rotten wood. By taking several borings you can tell how much sound wood is in the pole and tell whether the pole should be replaced or marked for reinspection in 1 or 5 years."

In addition to its timber specialists, REA has a special pole inspection and maintenance consultant, C. H. Amadon. Mr. Amadon was in pole inspection and maintenance work with Bell Telephone Laboratories for more than 30 years. It's his job to tackle the more complex pole problems.

### Tips for Borrowers

He passes these facts on to borrowers:

"Most pole infection and deterioration is showing up at the ground line and below. Reports show that poorly treated poles installed in 1946 and 1947 need to be inspected today. It's also time to look over poles installed more than 10 years.

"Ground line treatment is needed when: (1) pole above ground appears to be fit for at least 5 years and does not offer unusual hazard to men climbing or working on the pole, and (2) there is at least one inch of good wood in excess of the replacement circumference.

"Preservatives suitable for such work are: (a) coal tar creosote, per AWP Standard Specification P 7-54, (b) Pentapetroleum solution containing 5% of pentachlorophenol, per AWP Standard Specifications, P 8 and P 9.

"Poles which have deteriorated so that the ground line circumference is less than the minimum permissible under the rules of the National Electrical Safety Code must be replaced or the ground line strength restored by stubbing.

"Many co-ops have become most proficient in maintaining their pole lines. They say it's simply good housekeeping."

Mr. Amadon suggests that borrowers can find the answers to many of their pole problems in REA Bulletin No. 161-4, "Pole Inspection and Maintenance." Another training aid is REA's color-sound film, "The Pole Story," a practical picture about the steps to be taken in pole care.



**Chelan County Electric Co-op, Leavenworth, Wash., has found that spraying with good preservative will add years to the life of a pole.**

# more POWER, less COST

**R**EA borrowers and their rural consumers used more power and paid less for it in 1954 than in previous years. What's more, the year brought significant new gains for the rural electrification program.

The gains shared by consumers are reflected in the year-end operating reports of REA-financed systems. Reports tell an illuminating story of the steady gains being made by rural electric systems.

For one thing, on an average, consumers paid less for electric power and used more of it the past year. Electricity cost them an average of 3.06 cents per kwh, down from 3.22 cents the previous year.

Accelerated use of electric power by consumers stepped up energy sales by borrowers to an all-time high of 16.5 billion kwh during the year. This is 2.8 billion more kwh than was sold in 1953. Consumer buying of household appliances and farm equipment contributed to the gain. Another fac-

tor was the continued extension of rural electric service and improvement of existing facilities. Some 38,700 miles of new line were installed by borrowers in 1954 and 151,000 consumers were added. There are now 1,336,000 miles of electric line and 4,176,000 consumers.

Although farm consumers paid less per kwh for electricity in 1954, the margins of REA borrowers from system operations showed an increase of 40 percent. This gain can be traced to reductions in the cost of energy put into systems and better operating methods by borrowers.

REA approved a total of \$171 million in electric loans last year, an increase of \$26.8 million over 1953. Total loans to borrowers now have passed the \$3 billion mark.

The following table shows 1954 loans, estimated miles of line to be built and estimated number of consumers to be added for each state with these funds.

	Gross Loans	Estimated Miles To Be Built	Estimated Con- sumers To Be Added
United States	\$171,484,930	31,008	116,484
Alabama	4,303,000	423	1,540
Arizona	1,439,000	430	2,595
Arkansas	7,072,000	941	4,757
California	809,000	54	1,600
Colorado	3,823,000	879	1,528
Connecticut	—	—	—
Delaware	490,000	75	800
Florida	5,455,000	1,248	4,368
Georgia	6,640,000	1,601	6,904
Idaho	270,000	43	60
Illinois	6,047,000	719	2,515
Indiana	2,080,000	484	2,345
Iowa	9,251,000	456	440
Kansas	3,443,000	487	875
Kentucky	4,635,000	1,326	6,089
Louisiana	3,805,000	1,154	6,222
Maine	43,000	5	50



	Gross Loans	Estimated Miles To Be Built	Estimated Con- sumers To Be Added
Maryland	\$ 3,305,000	579	2,550
Massachusetts	—	—	—
Michigan	10,769,000	1,792	8,347
Minnesota	10,398,000	2,311	7,945
Mississippi	4,900,000	1,718	8,219
Missouri	2,725,000	495	1,598
Montana	2,418,000	706	1,097
Nebraska	8,200,000	1,459	2,103
Nevada	—	—	—
New Hampshire	—	—	—
New Jersey	138,000	12	150
New Mexico	1,749,000	428	1,333
New York	85,000	14	39
North Carolina	6,530,000	1,033	4,160
North Dakota	660,000	185	282
Ohio	4,563,000	351	3,123
Oklahoma	6,772,000	1,508	4,559
Oregon	1,265,000	285	462
Pennsylvania	4,285,000	511	2,556
Rhode Island	—	—	—
South Carolina	3,215,000	675	4,249
South Dakota	1,686,000	941	999
Tennessee	7,106,000	1,084	6,380
Texas	10,302,000	3,092	7,752
Utah	—	—	—
Vermont	51,000	11	56
Virginia	1,565,000	266	1,722
Washington	2,289,930	328	1,242
West Virginia	—	—	—
Wisconsin	10,490,000	252	667
Wyoming	1,213,000	397	401
Alaska	5,200,000	250	1,805

## Florida Borrower Reduces Rates

President Adrian C. Fletcher, of the Talquin Electric Cooperative, Quincy, Fla., writes the following notice to members:

"We want to take this opportunity to notify you of the rate reduction which becomes effective January 1, 1955. This reduction applies only to the farm and home rate classification and the bill you receive in January will be figured using the new rate schedule.

"We are happy that we are able to offer this reduction at this time, especially since we have been faced with the fact that the cost of labor and materials have steadily increased from year to year. There has been no increase in rates since the Coopera-

tive was first organized and we have, at the same time, made electricity available to everyone in the 4-county area.

"From the above paragraph you might wonder how a rate reduction is possible. The answer, we believe, is due to three factors:

"Your cooperation and increased use of electricity.

"The employees' loyalty and honest effort to do a good job.

"The coordinated efforts of all of your directors in establishing sound business-like policies.

"We are looking forward to the continued cooperation of all parties concerned, which will, of course, result in the maximum benefits to all."



# appliance surveys get the facts

Mr. Willard Grager, Manager, Cass  
County Electric Cooperative.

**F**act-finding surveys are helping Cass County Electric Cooperative, Kindred, N. D., plan for its future power needs.

"We find," says the co-op's manager, Willard Grager, "that long and short range planning comes easier when you've got the facts before you."

"We assemble power data in several ways. Two years ago, for example, we asked each of the tax assessors in 8 counties we serve to jot down the locations of farms without electric service. The list compiled by some 160 property appraisal deputies helped us determine how much new electric service was needed in our co-op area."

"Last summer we got a good return—1,928 to be exact—from the electrical appliance questionnaire we sent 5,800 farmer consumers. Farmers were told that returned cards would be entered in a contest, with winners receiving \$150 worth of gifts. Generally we get a better return from survey cards when some kind of inducement is offered. And, of course, it helped to plug the drive for cards through our newsletter."

The survey answered two important questions for the Cass County Electric Cooperative: 1, Type and number of appliances farmers were using; and 2, type of appliances farmers anticipated buying soon. Recapped data aided in estimating the prospective electric load.

But as Mr. Grager tells it, Cass doesn't just deal with survey figures in its power use planning. It is aggressively "selling" the talking-points of modern home and farm appliances through trials (no questions asked) of co-op-owned equipment.

"Our co-op owns 4 clothes dryers, 3 ranges, and 1 electric feed grinder," he explains. "Farmers can try out any of these for two weeks. Then it's up to them to choose the dealer they want to do business with."

"We don't try to sell farmers on any make nor prod them into buying. Appliances do a pretty good job of selling themselves during the trial period. Around 70% of farmers taking advantage of our free trial offer were eventual appliance buyers."



"Electric kitchen" in the co-op office enables visitors to examine home appliances. Here Donna Gross and Norma Tennefoe, advisers, display equipment.

# *Good* MANAGEMENT *Pays*

## . . . Whether Your System Is Big or a 1-man Operation

Good management is the payoff whether your staff numbers 35 or 1. For an example of the 1-man staff take Colbin Cleve who does everything at Chelan County Electric Co-operative, Leavenworth, Wash.

This little co-op, nestled in the Upper Wenatchee River Valley of the Cascade Mountains, serves only 350 consumers. But it literally pulled itself up by the bootstraps from a risky business position to a sound financial status and accumulated a tidy reserve fund, besides.

The co-op did it by carefully considering its unhappy condition and then taking several practical steps to improve it.

It was just 7 years ago that the Chelan co-op was ready to call it quits. When the wind blew, poles came down. Low voltage conditions were so bad that members were asked not to install new electric ranges or water heaters. There was line trouble everywhere. Expenses kept going up and revenue kept going down. The co-op owed back taxes and was behind in its payments of local bills. Rarely has a rural electric system been in a more unhappy position.

Then, facing up to their problem, the board started out to change things. Today the co-op has paid off its local debts, is current in its payments to REA on principal and interest, and has a bank balance of \$30,000 in its general funds. In addition, it has built

up a reserve fund of some \$10,000 during the past 3 years.

The board gives much of the credit to Colbin Cleve, who came to the co-op as manager 7 years ago. He left the Bremerton Navy Yard near Seattle to tackle the job of rebuilding Chelan.

First thing Mr. Cleve did was to take the consumer ledger and begin making the rounds of the members. He visited each one, and in a friendly, straight-from-the-shoulder way talked over the co-op's problems, explaining why things were so bad.

He soon won the confidence of the rural people. Those in arrears and the ones who were "freeloading" perked up. It wasn't long until they began paying their electric bills in full.

When Mr. Cleve thumbed through records for work orders, he found no usable inventory had been made since the co-op was organized in 1940. He prepared a complete inventory of all work orders in compliance with REA regulations.

Mr. Cleve tested and repaired every foot of the co-op's lines. This work improved service until funds were available for more extensive rehabilitation, to enable members to increase their uses of electricity.

After getting his "house in order," Mr. Cleve, with help from REA, worked out system and feasibility studies, charted new areas to be served and determined the amount of new



construction and rebuilding needed to give efficient service.

As soon as REA approved a \$280,000 loan to Chelan in 1949, Manager Cleve lost no time in getting the big "overhaul" job under way. Work included right-of-way clearing for line extensions, rebuilding old lines, and changing them from single to 3-phase. Heavying up lines stepped up the carrying capacity to three times their old load.



Manager Cleve works on co-op line.

The changes that Mr. Cleve and the board made have produced some surprising results.

Some 150 new consumers were added to the rolls after rephasing work was completed. Power consumption picked up and has hit a new high of 103,000 kwh a month—7 times what it was 7 years ago.

With its good financial situation, Chelan's board members are now considering the possibility of a rate decrease to members. It is their feeling that members would use more electricity with cheaper power, and that the co-op's income would remain about the same.

Most of the co-op's consumers are rural home-owners, who work their small acreages and augment incomes with lumbering and fruit picking. Dairying and hay and grain are the main farming enterprises. With dependable power, members can now be encouraged to go all-electric.

As a "one man co-op," Mr. Cleve takes care of billing, reads around 175 meters monthly, makes postings in the consumer ledger, handles complaints, trouble-shoots a hundred miles of line and acts as all-around repairman.

His only help comes from Mrs. Elda B. George, bookkeeper, who works 3 days a month closing the books, and part-time maintenance and repair workers hired during some of the year.

You get an idea of the work he is doing by looking at the record of Chelan's operating costs. In 1947, the co-op spent 70 percent of its receipts on operations. The past 3 years operating costs have been cut to between 43 and 47 percent.

Mr. Cleve, who is modest and plain speaking, said, "If it wasn't for REA, our consumers wouldn't have power and light today."

And, of course, if it wasn't for Colbin Cleve, where would Chelan be?



The issue of Rural Electrification News published by REA in March 1936 contained the following article:

*"The fact that the best security for the 'pay out' of a cooperative electric service plant is the farmers' need for electricity seems to be completely demonstrated by a group of 11 cooperatives in Hamilton County, Iowa. These electric associations, all of which derive their power from municipal plants in Webster City and Stratford, Iowa, were formed in the period between 1919 and 1926, and have been continuously in operation throughout the depression, during which time they served 450 farmers on approximately 200 miles of line.*

*"Mr. G. J. Long, for 18 years city manager of Webster City, Iowa, vouches for their success with the following statement:*

*"During all the years these cooperatives have been in existence, they have maintained their lines and paid all obligations incident to their operation, and are in financially sound condition at the present time. It is worthy of note that the farmers found the use of electric energy a necessity to the extent that through all the years of their existence, no consumers discontinued their services at any time, including the time of the depression, and at the present are still further extending their lines.*

*"Many farmers were forced to cut off their telephones, and some to allow their cars to be repossessed by finance companies, but none found it possible to give up electric service. In fact, it is asserted, that even some farmers on partial relief managed to find cash to pay their light bills.*

*"The reason for forming cooperatives was the fact that the municipal plant could not legally extend its lines*

*beyond the corporate limits and was desirous, nevertheless, to draw upon the rural territory for additional load. I therefore encouraged the organization of the following cooperatives:*

1. Pleasant Hill Electric Association.
2. Mt. Zion Electric Association.
3. Stonega Electric Association.
4. Cass Electric Association.
5. Wall Street Electric Association.
6. Mason Line.
7. Viaduct Electric Association.
8. Marion Electric Association.
9. Hooks Point Electric Association.
10. South Marion Electric Association.
11. East Marion Electric Association.

*"The first seven cooperatives above mentioned purchased energy at wholesale directly from the municipal light plant, owned and operated by the city of Webster City, Iowa. Cooperatives 8, 9, and 10 purchased current at wholesale from the town of Stratford, Iowa, which town was served with electric energy from the municipal light plant at Webster City, Iowa. Cooperative number 11 (East Marion Electric Association) purchased current at wholesale from the high line owned and operated by the Iowa Railway and Light Corporation, a private company whose offices are at Cedar Rapids, Iowa.*

*"The associations at first formed their organizations as corporations and later reorganized as cooperatives. In all cases herein the cooperatives financed their entire project by cash subscriptions equally borne by the members in an amount necessary for the complete construction of the lines. There are approximately 200 miles of electric line serving approximately 450 farm homes."*

*"Mr. Long has been engaged as a field representative for the Rural Electrification Administration and has been an effective counsellor in the formation of cooperatives in Iowa, Kansas, Missouri, Kentucky, and New Jersey."*

[Editor's Note: Mr. Long retired from REA in September 1954 after 19 years of service.]



The Wall Street Journal reports the following improvement of life on the farm: "Mt. Vernon, N. Y.—Farmers may be spending more time in bed winter mornings. A new device has been perfected that will feed the stock for them entirely automatically.

"The new gadget—it's called a Robot Automatic Stock Feeder—not only leads a horse to water but literally pours his drink as well. Heart of the system is an electrically-operated switch that can be set to start a horn blowing at any time of day. The horn calls the farm's animals to dinner, and a few minutes later the switch activates a mechanism that doles out the right amount of feed into the trough. Meanwhile, the farmer doesn't set foot outside the farm house.

"The robot was dreamed up by two Oklahomans, Joe Reynolds and Charles Bruton, and is now being sold by Hobart Manufacturing Co., Hobart, Okla. Tork Clock Co. here made the switch that works the de-



vice and reports it can be set to feed cattle automatically from one to 24 times a day. The cows get to learn that the sound of the horn means dinnertime in nothing flat, a spokesman reports.

"Once the noise has begun, the switch can be set to wait for two to 55 minutes before the mechanism starts dispensing food. That's to allow

## POWER EXCHANGE



stragglers to get to the trough from all parts of the field in time to get their share of the eats. When the feeding mechanism starts, it grinds up the feed as well as doles it out."

**Buena Vista County Electric Cooperative**, with headquarters at Storm Lake, Iowa, reports "Many new appliances were added to our lines in the last 30 days. Reports show that 12 electric ranges, 13 electric water heaters, 5 five-hp. motors on corn dryers, 2 three-hp. motors on elevators and 3 clothes dryers were installed. The smaller appliances have also increased in proportion. The load increase on the line is well over the average, being 8% over the same month last year."

**Pocahontas County Rural Electric Cooperative** with headquarters at Pocahontas, Iowa, developed member interest in the installation of electric ranges by interviewing 20 members who have installed ranges in the past year and publishing their comments in the newsletter. All the housewives agree that the electric range is cleaner, safer and more efficient.

**Clarke-Washington Electric Membership Corp.**, with headquarters at Jackson, Ala., reports that members used nearly 15 percent more power in 1954 than in 1953. That amounts to around 5 million additional kwh.



# R USE ANGE



**William J. Crowley**, manager, O'Brien County Rural Electric Cooperative, Primghar, Iowa, writes to members: "At one time we thought that when every farm place was served that we would be about through building individual extensions. But now come separate pumping services in increasing numbers. We have installed 16 recently."

**For the Birds.**—The annual bird count this winter by veteran bird watchers indicates more birds staying north. One reason may be an electric bird feeder which offers warm water and feed. Sells for around \$30.

**W. W. McMaster**, manager, The Middle Tennessee Electric Membership Corp., reports to his members: "During the first 11 months of 1954 we built 62 miles of new line and connected 533 new members. During this period we also had 104 more houses. We now have 1482 customers using electric heat to heat their buildings; this does not include the people using 1 or 2 portable heaters. We are selling 20% more current this year than last year; however, our gross revenue has increased only about 13%, which indicates that our members are buying electricity at a lower average rate than even last year. The average home uses more electricity in this Coopera-

tive than the average in any other Cooperative in the state."

**The Capital Electric Cooperative** at Bismarck, N. Dak., recently published a cook book made up of recipes contributed by members. Offered for sale to members at a price of 50 cents, the co-op reported that the edition was getting a wide response.

**Sumter Electric Cooperative** with headquarters at Sumterville, Fla., finds system growth continuing to climb. It is estimated on the basis of present developments that 600 new homes will be constructed in the system area in the next 2 years. It is estimated that an additional 185 miles of line will be required to serve the new consumers.

The newsletter of the **Verdigris Valley Electric Cooperative**, Collinsville, Okla., D. A. Whipkey, manager, asks members, "How about an electric heating mat for that dog or man that may be in the dog house? It could be used out in that dairy barn or even on the back porch to dry out and keep those cold boots ready for instant use."



*Let's look at Kentucky's*

# *Consumer Credit Plan*

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**I**ncreased power use on Kentucky rural lines is expected as the result of a borrower-owned consumer credit plan hand-tailored to meet the needs of Kentucky farmers.

Farm installations of electrical equipment may be financed for as long as 5 years and payments made by the month, quarter, half-year or year depending on when the farmer expects his cash income.

Consumer Credit Rural Electric Cooperative, as the plan is called, has been set up under the Rural Electrification Act of Kentucky with the aid and support of member co-ops, and after close study of various credit and finance systems.

The plan's chief aim, according to state-wide executive manager, J. K. Smith, is to provide members with a convenient method of financing the purchase of electrical equipment.

## **Louisville Bank Helped**

Mr. Smith and co-op leaders were assisted in the formation of Consumers Credit by Citizens Fidelity Bank and Trust Company of Louisville. A thorough study of financing facilities was made throughout the state. Ownership of Consumer Credit is vested in the member co-ops which use its facilities. Each co-op has a representative on the board of directors.

Members stand to gain distinctive new benefits in financing by dealing through Consumer Credit channels. They may, for example, purchase on convenient terms all types of electrical equipment, including water and irrigation systems. Merchandise can be bought for as little as 10 percent down and financed over 3 years.

Longer finance periods, up to 5 years, can be arranged for irrigation and plumbing systems.

## **How Plan Works**

Here's how the credit plan works:

Members purchase electrical equipment from a dealer of their choice. The dealer then turns the contract over to the local electric co-op for approval. Next the contract is sent directly to Consumers Credit for processing. Six percent interest is charged on the remaining balance. Installments for equipment purchased are added to the consumer's electric bill, payable at the co-op office.

Consumer Credit's operating funds were established by selling \$1,000 debentures to co-ops. Three-year debentures pay 3½%, 5-year ones 4%.

Each cooperative participating in Consumers Credit guarantees the sale contracts of its members. In turn, the co-op can refer delinquent accounts to the dealer for follow-up and settlement. The credit organization pays co-ops 1% of its volume of contracts for handling administrative costs of the program.

## **Dealers Cooperate**

Mr. Smith sees in Consumers Credit a way to balance the rural co-op's load, stimulate working relationships between dealer and cooperative and step up sales for distributor and manufacturer.

Meetings have been held throughout the state to acquaint dealers with the details of Consumers Credit.

The following question and answer summary explains some of the questions co-ops have been asking about Consumer Credit:

1.—Who is eligible for financing in Consumer Credit?

**Answer:** Any rural electric member whose rural electric cooperative desires to use the finance plan.

2.—What amounts will be financed?

**Answer:** Cooperative will finance up to \$1,000 on white goods equipment; \$2,500 on other electrical equipment such as irrigation, water systems and farm equipment.

3.—What is the minimum amount to be financed?

**Answer:** There is not any minimum, \$1 to \$2,500.

4.—How does consumer apply for credit on financing over and above the \$1,000?

**Answer:** Consumers will be expected to make application direct to the co-op office for credit approval on loans that will exceed \$1,000. This will be particularly true of such things as water systems, wiring, and irrigation.

### **Liberal Terms**

5.—What are the terms?

**Answer:** Consumer will have option of 3 to 36 months on white goods equipment, up to 5 years on farm chore equipment. Payments can be made monthly, quarterly, semi-annually, annually.

6.—What down payment is required?

**Answer:** Ten percent down payment is required when the payments are made on monthly or quarterly basis. Twenty-five

percent down is required when payments are made semi-annually and annually.

7.—How does dealer become eligible for plan?

**Answer:** Dealer files a financial statement with the co-op. Cooperative establishes credit rating for dealer.

### **How Dealer Is Paid**

8.—How and when will dealer be paid under the plan?

**Answer:** Dealer secures a conditional sales contract, taking down payment, along with credit information. Conditional sales contract and credit report will be turned over to co-op. This will be forwarded to Consumers Credit, and check will be mailed immediately to dealer.

9.—Can special features be incorporated from time to time to tie-in with sales promotion?

**Answer:** Consumers Credit welcomes the opportunity to work with distributors and their dealers' organizations in arranging special financing for special sales promotions on particular merchandise.

10.—Will partial payments be accepted?

**Answer:** Partial payments will not be accepted. Payment must be made in full, and payment must be made to co-op office where the consumer is a member.

For further information co-ops may write Consumers Credit, 1430 Mellwood Avenue, Louisville 6, Kentucky.

Attention Editors: Material from RURAL LINES, both art and text, may be reprinted unless specifically restricted.



# Wisconsin Co-ops Plan Electrical Parties

SOME 160 power use "Electrical Parties" are scheduled for farm families this season by Vernon, Crawford, Richland, Grant, LaFayette, and Rock electric co-ops in southwestern Wisconsin.

Each of the six co-ops has planned an average of 25 farmer get-togethers during the season featuring a previously agreed upon program of educational topics: 1.—Glass Heat, 2.—Barn Equipment, 3.—Water Systems, 4.—Cooking.

The jam-packed farmer meeting put on in a Coon Valley church by H. F. (Lefty) Leifer, manager of the Vernon co-op, is a good example of the way the gatherings are being received by rural folks.

Farmers won't soon forget the Coon Valley program. With a few modern touches here and there, the meeting reminded you of an old-time country social.

Coming warmly clad for the crisp Fall evening, farmers heard B. H. Huffman, power use adviser, explain home wiring problems. Using a series of small lamps, he pointed out among

other things the dangers of overload-ing house circuits, told what to do about it. Mr. Huffman's good humor and practical approach made the talk easy to listen to.

Lively hill billy tunes by a couple of youngsters came next. Smiling farmers who tapped their feet to the music felt right at home.

The next talk on glass heat answered a lot of questions farmers had been asking about this modern housewarming development. Speaker John Callen, Continental Glass Co., Milwaukee, used charts and actual heating panels to good advantage.

Thirteen worthwhile gifts, obtained from local merchants by members of the co-op's "Electrical Party" committee, went to lucky farmers.

Tasty sandwiches, cake, ice cream and coffee topped off the evening.

One farmer was heard to say, "We had fun tonight. They told us a lot of things we didn't know about electricity and home heating. It was one of the nicest evenings I've spent in a long, long time."

And that about sums up the feelings of most of those who attended the first "Electrical Party" of the season. Farmers won't need any urging to take in another get-together like the one in Coon Valley.

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**"Bedtime Bookworms—Give Those Eyes a Break,"** by Myrtle Fahsbender, is a single, well-illustrated sheet on the kind of lighting to provide for reading in bed. Proper bracket, table, and pin-up lamps are shown. Write the Information Services Department, Westinghouse Electric Corp., 401 Liberty Avenue, Pittsburgh 30, Pa. Up to 250 copies furnished without charge. Additional copies are available at \$7 a thousand.



Farmers and their wives turned out in big numbers for Coon Valley meeting.

# THE LINEMAN



**S**OUTHEASTERN Illinois Electric Cooperative, Eldorado, Ill., uses the newsletter to keep members informed of the problems of their line crews. Here's an example:

"Sometimes outages occur despite anything that anyone can do. Our linemen are on call 24 hours a day, 7 days a week, to restore service when outages do occur. They are most often called out in the middle of the night in a sleet or snow storm when working conditions are most difficult. At such times a slip can be extremely dangerous.

"Attachments made to the cooperative's poles are only one of the hazards of the profession at such times.

"It is no fun climbing a pole in the rain or snow on a cold night even under the most favorable conditions. Imagine what it is like climbing a pole that is full of tacks and nails.

"We have had a number of cases where linemen's climbers striking

tacks or nails have failed to engage and severe falls have resulted.

"Of course, no one would deliberately make the lineman's job more difficult and hazardous. Many of those who tack signs or fences to the poles are among our most cooperative members and simply do not realize they may be endangering someone's life.

"Next time you start to tack something to an electric distribution line pole, think of the lineman who may have to climb that pole under the most adverse conditions in order to serve you. Don't make a sign board or a fence post out of the poles that bring you electricity.

"Your servicemen will appreciate your thoughtfulness and you will benefit through better service."

**Jim Bousted**, foreman of the Harrison County Rural Electric Co-operative, Woodbine, Iowa, advises members not to be too worried about the tin strips appearing on transformer poles. Squirrels are the answer. Bousted thinks the tin strips will keep the pests from electrocuting themselves and causing outages.

**Lane County Electric Cooperative**, Eugene, Ore., reports:

"Groundman Frank Baker was one of a 'select' crew to star in the Red Cross film on pole-top resuscitation and safety. Representatives of all power utilities in Lane County participated in the pole-top rescue which was filmed in mid-December. The film which will also feature water safety and a demonstration of the prone-pressure method of artificial respiration will be made available for showing to groups throughout the United States."





## Dial Service Success

# Kentucky System Overcomes Rate Increase Objections

**Q**UIET-LIVING farmers and townspeople of Meade and Breckinridge Counties, Ky., probably never spent a day quite like Thursday, January 20, 1955. It was a day much the same as scores of others except that something new had been added—"smooth as silk" dial service.

The date picked by Brandenburg Telephone Company for cutting in its new Garrett, Battletown, Brandenburg and Payneville dial exchanges won't soon be forgotten. The Louisville television and radio stations spotlighted the event, and the farmers' own Meade County Messenger featured the story.

Not so many years ago the county's residents talked of early Indian uprisings, of Capt. James Meade, the Indian fighter, and the battles of Tippecanoe and River Raisin. Later came the red-letter day when their farm homes were lighted by the new Meade County Rural Electric Cooperative. And now it is dial service that has everyone talking.

Subscribers made the most of their new telephones. They made call after call and found that they could reach neighbors and friends with only a few spins of the dial. It didn't take them long to see that "calling folks" would be a lot easier and faster from now on.

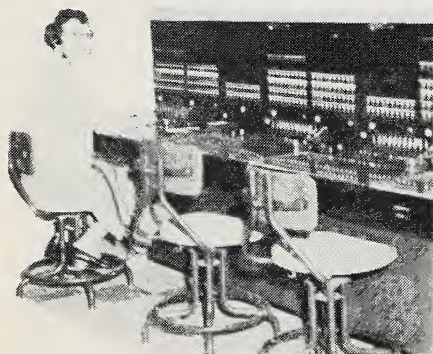
For speedy dial service meant the end of hit-or-miss telephoning over their old "hoot and holler" magneto sets. Folks agreed that it was good to know they would not be troubled again with line noises and fade-outs—that good service was in.

To most subscribers the passing of their crank-up telephone system was like saying farewell to an old family friend. But in their new dial service there's promise of gaining an even better and more helpful one.

Of course, as one old subscriber put it, "You don't get service for nothing." Telephone rate increases by the Brandenburg Telephone Company stirred up some rural people and businessmen. But therein lies a story that has a pleasant ending.

The Brandenburg company, with some 712 subscribers on its rolls today and a waiting list of 64 applicants was organized early in 1951. One of the company's first steps was to buy Meade County Telephone Company, a 50-year old system, and later the Irvington Telephone Company.

Soon company officers laid plans for swinging over to dial service. From REA they sought a \$749,000 loan for a new office building in Brandenburg, modern equipment for dial exchanges and a new outside plant layout.



Chief Operator works at main toll board in Brandenburg.



As their next step officers explained the new dial program to subscribers and announced a monthly rate schedule of \$3.50 a month for an 8-party line. They calculated rates on prevailing equipment and material prices.

Says Manager E. B. Hawkins, "We tried to keep our telephone rates down and consistent with good operating procedure. Meade County Telephone subscribers used to pay a 25¢ monthly rate. In addition they bought their own telephones and batteries and maintained their poles and lines. Most of our subscribers didn't mind paying the \$3.50 rate.

"Things went along smoothly until sometime later when we were ready to put in the dial system. Prices of equipment and materials had gone up since the \$3.50 rate was agreed upon. We went back to rural residents and businessmen again and asked for another dollar, or \$4.50.

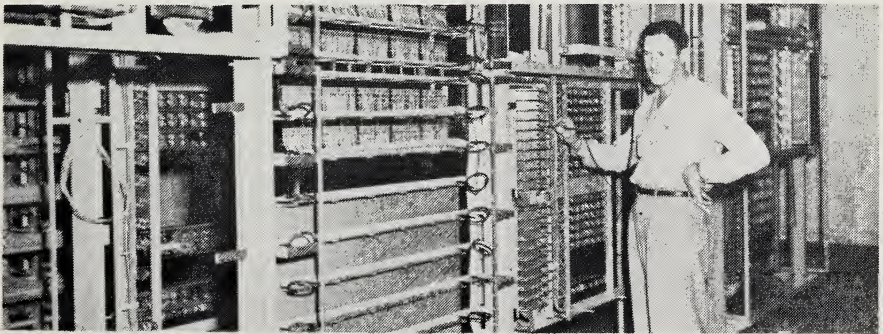
"We told subscribers that we wanted to keep rates down to a minimum but that in view of increased material costs, we simply couldn't operate profitably at the \$3.50 rate. Some people opposed the new rate quite strongly but most subscribers saw our predicament and went along with the increase. I believe we lost only 10 applications out of the lot."

Mr. Hawkins said that one subscriber spiritedly complained about the higher rate. But soon after the dial set was installed the Meade County Messenger reported her as saying, "We are all enjoying our new dial telephone. It is really wonderful."

That's the tone of sentiment in the company's area this winter as subscriber after subscriber nods approval of the REA-financed dial system. For telephone service has improved all-around.

The Brandenburg bank, for example, which used to have only one crank-type, all-purpose telephone, now has 5 dial sets and enjoys intra-office as well as good outside communication. And the company has installed a 100-line PBX system, serving 132 phones in a large chemical plant near Brandenburg.

Directors of Brandenburg Telephone Company—L. D. Hesler, president; J. B. Woolfouk, vice-president; and Guy A. Hardin, secretary-treasurer—say there's still quite a bit of work left to do. More exchanges will be added, and dial service extended to other communities. Outside plant construction is tied in with facilities of Meade County Rural Electric Cooperative under a joint-use agreement for poles. Work is going ahead as quickly as possible.



Manager Hawkins clears trouble on the selector circuit.

# TELEPHONE LOANS

In 1954, REA approved a total of \$66,346,000 in telephone loans—some \$16 million above the amount approved the preceding year. Here is a state-by-state recapitulation of 1954 telephone loan information:

	No. of Loans	Amount of '54 Loans (Gross)	Subscribers To Be Served
United States	157	\$66,346,000	126,666
Alabama	3	3,193,000	8,909
Arizona	1	351,000	726
Arkansas	1	294,000	598
California	1	42,000	131
Colorado	2	345,000	478
Connecticut	—	—	—
Delaware	—	—	—
Florida	1	3,602,000	7,278
Georgia	8	2,147,000	6,052
Idaho	3	1,140,000	3,165
Illinois	8	5,123,000	14,786
Indiana	9	2,391,000	5,164
Iowa	4	1,155,000	3,423
Kansas	10	3,839,000	8,284
Kentucky	5	2,611,000	5,174
Louisiana	12	2,104,000	3,036
Maine	2	599,000	1,786
Maryland	—	—	—
Massachusetts	—	—	—
Michigan	2	754,000	1,427
Minnesota	12	4,931,000	8,325
Mississippi	—	—	—
Missouri	6	4,331,000	5,660
Montana	4	2,897,000	3,999
Nebraska	1	637,000	1,244
Nevada	—	—	—
New Hampshire	—	—	—
New Jersey	1	289,000	—
New Mexico	1	215,000	—
New York	—	—	—
North Carolina	3	561,000	1,266
North Dakota	4	4,945,000	6,108
Ohio	—	—	—
Oklahoma	4	756,000	1,689
Oregon	3	338,000	557
Pennsylvania	1	114,000	301
Rhode Island	—	—	—
South Carolina	5	3,327,000	5,998
South Dakota	8	4,219,000	5,142
Tennessee	4	2,084,000	4,229
Texas	9	1,519,000	742
Utah	1	50,000	54
Vermont	—	—	—
Virginia	3	1,204,000	2,530
Washington	5	1,259,000	2,703
West Virginia	1	347,000	791
Wisconsin	6	1,757,000	3,745
Wyoming	2	309,000	456
Alaska	1	567,000	710
Hawaii	—	—	—
Puerto Rico	—	—	—

# VIRGINIA'S FIRST CO-OP

**T**HE first rural telephone cooperative in Virginia established with REA financing was dedicated recently at a membership meeting of the Buggs Island Telephone Cooperative.

Financed by REA loans, the present system includes two automatic dial exchanges and about 132 miles of pole-lines serving 150 farm families. Present equipment can serve about 600 additional subscribers.

Manager E. C. Edwards said, "With the completion of the exchanges the cooperative is in a position to provide telephone service within its entire certified area."

One of the exchanges is located at Beachwood Service Station and the other is at J. B. Jones' store near Blackridge, each serving about half of the connected subscribers.

W. H. Copley, president of the board of directors, told members that

by being the first, the cooperative's directors have encountered numerous obstacles and difficulties in establishing precedents.

Organized in December 1950, the co-op had to wait out one delay of 7 months in obtaining exchange equipment, due to factory revision and improving quality standards. A last-minute delay in actual cut-on time was caused by Hurricane Hazel. Now that the clean-up work is completed, the co-op's personnel are installing additional extensions and telephones.

J. L. Felts of the Beachwood Service Station said that the new telephone came in handy for reporting a wreck that occurred near the station shortly after the cut-over. "The patrolman and ambulance were at the scene 20 or 30 minutes quicker by calling instead of going for them by car," he said.

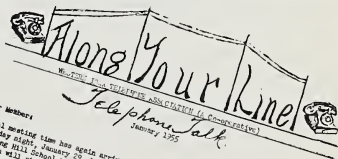
(Taken from "Rural Virginia.")

**C. L. Whitley tells the story of a traveler who stopped at his service station to make a telephone call. Linemen were just installing the new telephone.**

**The traveler waited until the job was completed, made his long distance call, and was on his way again in a matter of minutes.**

## Annual Meeting Attractions

**L. L. Anderson**, manager of the Western Iowa Telephone Association, uses the co-op newsletter to urge members to attend their annual meeting. After pointing out the importance of their attendance for election of officers and proper functioning of their cooperative, he offers other inducements. One drawing card for parents was a special entertainment feature—a representation of talent from each high school in the area served by the telephone exchange.



Dear Members:

Annual meeting time has again arrived—Saturday night, January 29, 1955, at the Blackridge Hill School Auditorium. Registration will start at 7:00 P.M., and the program at 7:30 P.M. Six (6) dollar prizes will be given, one to each Exchange.

Regular reports to the membership from your officers and managers will be presented. We feel that this is the best time to discuss the new system and its operation. If you are a member, have a good representative of your Exchange at the meeting. We are sure you will enjoy it.

We are fortunate in securing the services of Mr. L. L. Anderson, Manager of the Western Iowa Telephone Association, to give us a special message for all of you, and to tell us how we can make the most of our investment in the telephone.

This year we must elect three officers to the Board of Directors, and indicate in the election of officers a most important duty, which must of course be performed by you as a member at meeting time.

We have been extremely fortunate in having an excellent Board of Directors through-out the construction of the system, through-out the operation of the system, and through-out the operation of the system. We are sure that you will enjoy it.

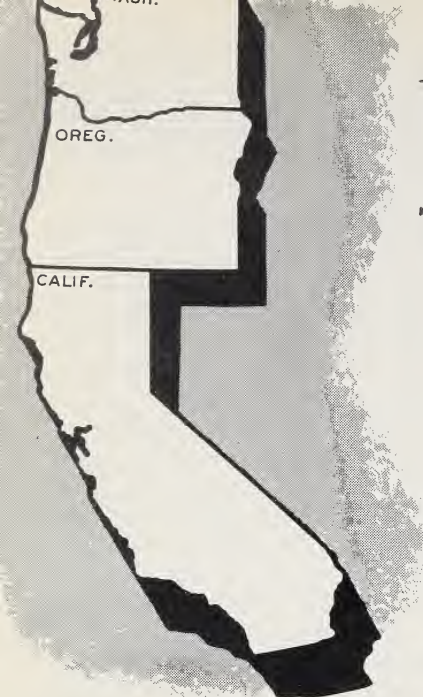
We are expecting you to make a note of the date, and to be on time.

Until January 29, 1955, at your service.

*L. L. Anderson*  
Manager

**SPECIAL NOTICE**  
Your vote is your responsibility. Do not attempt to vote if you are not a member.





# Western Borrowers form new Telephone Association

non, Ore., secretary-treasurer.

The new independent telephone group held two meetings in Portland, Ore., during 1954 for the purpose of completing organization details, drafting bylaws and shaping a program for the ensuing year. At the organizational conference some 22 independent telephone companies were represented.

One of the association's principal aims, according to its bylaws, is to work for the general welfare of members in the telephone industry.

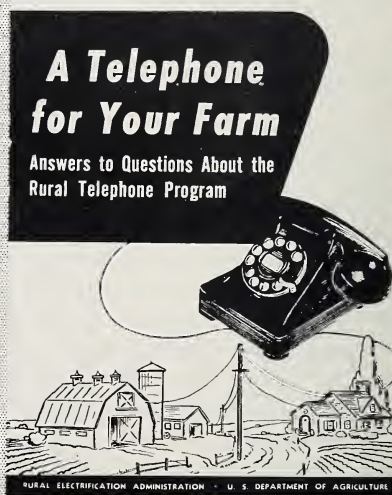
Membership in the Association is limited to companies, associations, cooperatives, and corporations directly engaged in or about to engage in telephone business who are bona-fide REA borrowers.

**I**ndependent telephone representatives of Oregon, Washington and California have formed the Western Association of REA Telephone Borrowers with Glenn Stover, Mt. Vernon, Wash., president; Richard D. Crowe, Dos Palos, Calif., vice president, and James W. Damon, Mt. Ver-

## REA Telephone Pamphlet Available

A revision of the pamphlet, "A Telephone for Your Farm," has been published by REA to answer questions for farmers and groups of rural residents who do not have telephone service and are wondering how the REA telephone loan program can help them.

A copy may be obtained free by writing to the Rural Electrification Administration, U. S. Department of Agriculture, Washington 25, D. C. Ask for REA Bulletin 320-7, "A Telephone for Your Farm."



# President Requests \$230 MILLION

## Loan Funds For 1956

President Eisenhower's 1956 budget proposals to Congress requested \$230 million in new loan funds for the REA programs in the fiscal year beginning July 1, 1955. Of this, \$160 million is for rural electrification and \$70 million for rural telephones.

With funds expected to be carried over from this fiscal year, plus expected rescissions of previous loans, the President's request would make \$185 million available in regular

funds for rural electrification. This is \$20 million above loan estimates for the current year.

An increase of \$395,000 in administrative funds for REA was requested, bringing the total to \$7,680,000 in 1956.

Details of funds available for the current fiscal year and those that would be available for 1956 under the budget proposal are given below: for both programs:

	1955	1956
	Appropriated by Congress	Budget Request (Estimate)
<i>Electric</i>		
New Authorization	\$135,000,000	\$160,000,000
Funds carried over from prior year	46,996,190	21,096,190
Rescissions of prior year loans	4,100,000	4,000,000
<b>TOTAL AVAILABLE FROM REGULAR FUNDS</b>	<b>\$186,096,190</b>	<b>\$185,096,190</b>
Reserve authorization	35,000,000	35,000,000 <i>a/</i>
<b>TOTAL—ALL FUNDS THAT MAY BE AVAILABLE</b>	<b>\$221,096,190</b>	<b>\$220,096,190</b>
REA estimate of loans to be made	(\$165,000,000)	(\$185,000,000)
<i>Telephone</i>		
New Authorization	\$ 75,000,000	\$ 70,000,000
Funds carried over from prior year	8,158,176	10,158,176
Rescissions of prior year loans	2,000,000	—
<b>TOTAL AVAILABLE</b>	<b>\$ 85,158,176</b>	<b>\$ 80,158,176</b>
REA estimate of loans to be made	(\$75,000,000)	(\$80,000,000)
Salaries and Expenses	\$ 7,285,000	\$ 7,680,000

*a/* To be available for use only if Congress does not eliminate state loan formula in Rural Electrification Act.

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**WASHINGTON 25, D. C.**

**OFFICIAL BUSINESS**

**PENALTY FOR PRIVATE USE TO AVOID  
PAYMENT OF POSTAGE, \$300  
(GPO)**

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## **Loans Approved December 27, 1954 Through January 21, 1955**

### **ELECTRIFICATION**

\$ 265,000	Central Rural Electric Co-op, Stillwater, Okla.
375,000	Morgan County REMC, Martinsville, Ind.
165,000	Daviess-Martin County REMC, Washington, Ind.
385,000	Taylor County Rural Electric Cooperative Corp. Campbellsville, Ky.
83,000	Lyon Rural Electric Cooperative, Rock Rapids, Iowa
1,424,000	Western Farmers Electric Co-op, Anadarko, Okla.
125,000	Springer Electric Co-op, Springer, N. Mex.
330,000	Glades Electric Co-op, Moore Haven, Fla.
157,000	Kingman Electric Co-op, Kingman, Me.
410,000	Southwest Electric Co-op, Bolivar, Mo.
490,000	Victoria County Electric Co-op Company, Victoria, Texas
490,000	Great Plains Electric Co-op, Colby, Kansas
387,000	Western Co-op Electric Assn., Wakeeney, Kansas
50,000	Ashley Chicot Electric Co-op, Hamburg, Ark.
50,000	Ozark Border Electric Co-op, Poplar Bluff, Mo.
295,000	Park Electric Cooperative, Livingston, Mont.

\$1,170,000	Virginia Electric Co-op, Bowling Green, Va.
1,440,000	Tri-County Electric Assn., Sundance, Wyo.

### **TELEPHONE**

\$ 385,000	The Eureka Telephone Co., Inc., Corydon, Ind.
1,770,000	Dakota Central Rural Telephone Cooperative Assn., Carryington, N. Dak.
32,000	Adamsville Telephone Co., Inc., Adamsville, Tenn.
294,000	Southwest Arkansas Telephone Co-op, Inc., Hope, Ark.
74,000	Trenton Telephone Co., Trenton, Ga.
277,000	Haviland Telephone Co., Haviland, Kans.
481,000	West River Mutual Aid Telephone Corporation, Hazen, N. Dak.
973,000	Mark Twain Rural Telephone Co., Bethel, Mo.
497,000	Cherokee Telephone Company, Inc., Rochelle, Ga.
467,000	Bolivar Telephone Co., Bolivar, Mo.
103,000	The Milliken Telephone Co., Inc., Blue Rapids, Kans.
528,000	Sanborn Telephone Co-op, Forestburg, S. Dak.